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I am here today to do two things.

First, I want to learn from you.

I have been connected with farming all my life. But any good farmer knows that he never stops learning, that he never knows all the answers.

Last weekend some of us from the Department of Agriculture sat down with about 50 citizens of this country. They came from all over and their thoughts on politics, economics and agriculture ranged as widely as the plains of this great state.

We told them: We want your ideas on any subject remotely connected with agriculture and food. What should we be doing that we're not doing? What should a Department of Agriculture be doing four or five years from now? Should there even be a Department of Agriculture?

It was exhilarating. They threw all kinds of ideas at us. We learned.

That's what I want to do with you today when I take your questions.

The other thing I want to do is talk to you briefly about the factors that brought us where we are today.

We have a problem. You know that and the Secretary of Agriculture knows that.

Remarks by Secretary of Agriculture Bob Bergland at Public Forum, Heights High School, Wichita, Kansas, Saturday, September 24, 1977.

Prices are down, costs are up.

Crops are big, overseas buyers are more scarce than they have been.

We are headed for what both you and I do not want -- some big surpluses.

It is a problem that can be solved, but it will take time.

It will take time to get for the American farmer what many others in this nation have come to take for granted -- financial stability.

Not a guaranteed income.

Not farming without financial risk.

Just some sort of protection against those wild swings in prices that for as long as I can remember have been sending farmers into joy one year and despair the next.

I think our new farm bill gives us a better chance than we have had in a long while of getting that protection.

But now, I want to talk about the problem itself.

For the past five years the American farmer has been on a roller-coaster ride that the farmer -- and the rest of America -- will be a long time getting over.

When you go on a roller-coaster ride, it's a lot of fun getting to the top. And when you get up there, it's quite a feeling. You think you're on top of the world. That's the way the American farmer felt in 1973 and 1974.

You remember:

Six-dollar wheat.

Twelve-dollar soybeans.

Four-dollar corn.

A net farm income of \$33 billion in 1973, almost double the previous year.

An increase of almost 34 percent in the farm value of food in 1973.

But when a roller-coaster goes down, it goes down. You feel like you're going to lose your stomach.

This roller-coaster didn't hit farmers in the stomach. It hit them where they always get hit -- in the pocketbook.

In three years the cost of food went up 42 percent. That sent wages and the cost of almost everything soaring along with it. But the demand for our farm products overseas hasn't continued soaring. And the prices of U.S. farm products are set in the world market.

So, the farmer finds himself once again faced with high costs and low prices. He finds himself in a situation where:

* Net farm income will be in the \$19 billion range this year, almost down to what it was in 1972.

* The farm value in food dropped almost 4.5 percent last year.

* A tractor that cost \$10,800 in 1973 costs \$19,200 this summer.

* The price of a gallon of diesel fuel more than doubled in that same period.

It did not have to turn out that way. The signs were there.

In the early 1970's the world was consuming more grain than it produced. World stocks were high, but were being used for current consumption.

There were two reasons for that.

One, the rich part of the world was getting richer and demanding a better diet. Two, production in the less-developed countries was improving, but not enough to keep up with population and demand.

Then came 1972 and crop failures around the world.

In a few short weeks and with no public notice, the Soviets bought 18 million tons of U.S. grain, including one-fourth of our wheat crop.

It could have been remembered as a milestone in an area that is vital to U.S. agriculture -- sale of farm products overseas. But it wasn't.

Instead it is remembered by the American people as the single most damaging event in the worst inflationary spiral since World War II.

It is remembered as being unjust to those farmers who were paid low prices for Russian-bound wheat bought by U.S. exporters before the news of the sale was made public.

And it is remembered for unnecessary subsidy payments of more than \$300 million to those exporters before the price in a wheat-short world caught up with American prices.

There was another sign almost immediately.

Wheat prices almost doubled in the last six months of 1972. After the Soviet grain sale was made public in July, there were still another two months to go before planting for 1973 winter wheat began.

But no one encouraged farmers to take advantage of that price and go all-out on planting of winter wheat. Controls on spring wheat to be planted six months later were not removed, either. And in 1973 -- a year after the Soviet sales and the world crop failures -- 20 million acres of land were withheld from production.

The world kept buying U.S. grain in 1973, this time with prices that were made even more attractive by devaluation of the American dollar in February of that year. China bought about five million tons of wheat and corn.

Food prices continued to rise. And -- you remember -- concern about those prices caused an embargo to be slapped on exports of soybeans and oil products.

Not exactly the "free market" that we heard so much about in those days.

By this time the signs in the rest of the world were beginning to be read in Washington and farmers were told to plant "fence-to-fence."

Farmers up in North Dakota knocked down tree windbreaks to find room for more grain. Down in Arizona, they were raising wheat on irrigated land -- not a normal crop in that state.

Marginal land that never should have been put into production was planted, using up more of our precious supplies of energy, water, and fertilizer. That only served to send prices of such things climbing higher. The cost of fertilizer went up 75 percent in 1974.

World grain production had set a record in 1973, as farmers of the other nations read the signs a little earlier than they were read here.

In 1974 it slipped, and foreign buyers came knocking at our door again. The Soviets wanted to get back into the world grain market.

We had been told that embargoes wouldn't be necessary again, so one wasn't used. Exporters were simply asked not to sell the Soviets as much grain as they wanted to buy.

It was a technique that was to be used again.

In 1975, grain supplies in America were mounting, both from increased production and the informal embargo of the previous year. Other parts of the world also were expecting a bumper crop.

It began to look like surpluses might catch up with us before they finally did.

But, in the Soviet Union, another drought cut production sharply. The Soviets bought another 12.5 million tons of grain.

Once again the so-called "free market" was not allowed to be free. U.S. grain exporters were asked to stop selling grain to the Soviets for three months. A different technique was used with Poland -- they were asked not to buy any.

But the damage was already done.

Prices, sent into orbit by the 1972 events, kept on climbing.

And farmers' income kept on dropping.

And the great U.S. agricultural machine -- a thing of wonder whether running at high speed or low -- continued to turn our record crops.

Now, in 1977, we find that the machine has done its job. But in other parts of the world, machines have also performed well. Other nations have been blessed with good weather and there have been none of those droughts or crop disasters that earlier caused other nations to knock on our door for grain.

Weather has always defied logic and weather is the decisive factor in food production. No amount of legislation, economic fine-tuning, or administrative decisions can cope with the vagaries of weather.

Not yet, at least.

What we need to do is to bring some stability and predictability to the entire food production-distribution-consumption process.

If events of the past five years teach us nothing else, they teach us that the farmer will never have that kind of stability unless we get rid of -- once and for all -- the wild swings in prices that have plagued him for so long.

We need a system that will:

One, provide a cushion of supplies that will allow us to have enough food for ourselves and sell to our consumers abroad at competitive prices.

Two, provide a fair return for the U.S. producers of that food.

I think we have the tools to do it in the farm bill that Congress just passed.

The bill will do several things:

- * It will provide farmers with adequate price and loan protection, which is a step toward that fair return I spoke of.

- * It will, through the commodity loan program, provide a more orderly market for farmers by creating a farmer-owned and controlled food reserve that is essential.

- * It will help farmers control production in periods of surplus.

- * It will provide farmers with a really effective disaster program.

- * It greatly improves the P.L. 480 program, which will allow us to continue to meet our obligations to hungry people of the world and develop foreign markets for our products at the same time.

There is some immediate help in the bill, too. When the President signs it later this month it will set into motion deficiency payments that will be made this winter. On wheat that amounts to 65 cents, the difference between the \$2.25 loan price and the 1977 target price of \$2.90. That could add over a billion dollars to wheat producers' income from the 1977 crop.

I hope the day will come when I can stand before farmers and not have to talk about help being on the way. I do not mean a day without some risk, without individual hardship.

You will always have those.

You are farmers.

I mean a day when farmers can live lives that are like most of the rest of the people in this great country.

When you can plan your production, with a good idea there is going to be a consistent market for it.

When you can plan your purchases, without having costs suddenly send what you need out of sight.

When you can plan your income goals, without fearing that price swings will wipe them out in weeks.

I think that day will come.

But until it does, I need your help.

Since I've been in Washington, which is so close to the Atlantic Ocean, I've had the normal curiosity of a farm boy from northern Minnesota about the water.

I bought a little sailboat and I spend as much of my free time as possible exploring Chesapeake Bay. I love it. It relaxes me.

I've learned several lessons in the process.

One is that when a boat is taking on water, it doesn't make a lot of sense to sit and yell at the other people in the boat that more water is coming in on their side.

You work together and bail out the water.

That's what we have to do to solve the problem I have been talking to you about today.

It was there on my doorstep when I walked into the Department of Agriculture.

It isn't going to go away without a lot of work -- by everybody involved.

It's all right to analyze it, to talk about how we got into it. History is, after all, our best teacher. But it does not do a lot of good to sit and yell.

The best thing to do is grab a bucket.

I've got mine. I hope you'll get yours.

Thank you.

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